

1 Jersey, yes.

2 Q. What did they tell you about Ellis
3 Thompson Corporation?

4 A. When I was hired, they said there's a
5 possibility that we will be managing the Atlantic
6 City A side market if, in fact, they do get a
7 management contract. Other than that -- if that
8 did not happen, though, we would be an active
9 reseller. There was an active reseller called
10 Cellular Phone of New Jersey at the time.

11 Q. Have you ever seen the Atlantic City
12 system's management agreement?

13 A. Yes.

14 Q. Have you read it?

15 A. Yes, a long time ago.

16 Q. Do you recall who gave it to you?

17 A. Anna Hillman.

18 Q. Did you have discussions with
19 Ms. Hillman about the agreement?

20 A. Yes, back then I would have had
21 discussions, although I can't remember what they
22 were about.

23 Q. Did Ms. Hillman ever give you
24 instructions on how to proceed in the Atlantic
25 City system?

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1 A. Yes.

2 Q. While you were controller in Atlantic
3 City, did you have check signing authority?

4 A. In the beginning -- let me just break
5 this question up. In the very beginning, I had
6 check signing authority over the account of
7 Cellular Phone of New Jersey right from the
8 start.

9 When the Ellis Thompson Corporation was
10 formed and we had the management agreement, I did
11 not have signature authority. And then sometime
12 within the first year I had some minor signature
13 authority that grew over time as all parties
14 involved became more comfortable with the
15 process.

16 Q. More comfortable with what process?

17 A. The process of check signing, financial
18 controls, actually seeing what operating
19 expenditures were being incurred by an actively
20 running system.

21 Q. At the time you said you had minor
22 authority. What was the extent of your authority
23 to sign checks?

24 A. If I recall, and it's been a long time,
25 it was recurring expenses, utilities, cell site

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1 rents, expenses that were repetitive and critical
2 to the running of the system.

3 Q. And what did your check signing
4 authority grow to entail?

5 A. To the best of my recollection, it went
6 up to \$5,000.

7 Q. What would happen with checks over
8 5,000?

9 A. They would need to be sent to Ellis for
10 his signature. I'd like to make just one point;
11 it's either 1,000 or 5,000 through the six or
12 seven years I've worked at Metrophone and I've
13 had signature level authorities that have changed
14 almost monthly. They continue to change today.

15 Q. While controller in Atlantic City, did
16 you have any work over the bank accounts of Ellis
17 Thompson Corporation?

18 A. What do you mean by work over the bank
19 accounts?

20 Q. Did you do any work which related to
21 those bank accounts?

22 A. I performed the monthly reconciliations
23 of the bank accounts, I produced checks, made
24 deposits into those bank accounts.

25 Q. Did you keep the books?

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1 A. Yes.

2 Q. How many different types of accounts
3 did Ellis Thompson Corporation have?

4 A. Two.

5 Q. And what were those?

6 A. One was a depository account and one
7 was a checking account.

8 Q. What bank were these with?

9 A. I can't remember.

10 Q. Do you know if it's the same bank that
11 Comcast uses for its other facilities?

12 A. I believe so, but I can't remember
13 which bank it is.

14 MR. WEBER: I'd like to have this
15 marked as Panetta Exhibit 1. It is a one-page
16 letter dated May 19, 1989, with the Bates stamp
17 AM 147977.

18 (Panetta Exhibit No. 1 was
19 marked for identification.)

20 BY MR. WEBER:

21 Q. Do you recognize this letter?

22 A. Yes.

23 Q. Did you send it to Mr. Lokting?

24 A. Yes.

25 Q. What was the purpose of this letter?

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1 A. To request that I have signature
2 authority on the Ellis Thompson checking account
3 for those expenditures that covered rents and
4 utilities, rents and utilities being defined as
5 rents and utilities for cell sites.

6 Q. Would this be even for utilities that
7 exceed 5,000?

8 A. Yes, it would be.

9 Q. Did Mr. Thompson approve of this
10 policy?

11 A. Yes, he did.

12 Q. Can you recall if you had any
13 discussions with Mr. Lokting about this
14 suggestion?

15 A. Yes.

16 Q. What was the nature of those
17 discussions?

18 A. His concerns were reporting and
19 controls over things that himself or Ellis would
20 not see. And we designed a process by which he
21 would see everything, even though it wasn't
22 required that he sign them. So he would still
23 see all the detailed invoices and payment
24 packages, vouchering, that he would normally see,
25 he just wouldn't be required to sign the check,

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1 the checks would be sent directly to the vendors.

2 Q. Mr. Lokting and Mr. Thompson then kept
3 close track of the expenses of the company?

4 A. Yes.

5 Q. Can you recall times where they ever
6 called you to question an expense?

7 A. Yes.

8 Q. And how often would that happen?

9 A. I can't even give a guess on that one.
10 Normally there was a phone call questioning
11 something in every check run.

12 Q. There was questions of almost every
13 check run?

14 A. Not of the entire check run, but
15 something in the check run.

16 Q. How often were check runs?

17 A. If I remember correctly, it was once a
18 week. That too I may be confusing with check
19 runs that I have done over my career with
20 Comcast.

21 Q. Can you recall a time where
22 Mr. Thompson refused to sign a check?

23 A. Yes.

24 Q. Can you give the specifics?

25 A. They were checks to Comcast. And I

1 wouldn't characterize that as refusing to sign
2 checks, but he did not sign them for a length of
3 time. He kept a number of checks in his-
4 possession. And the issue was elevated and it
5 was discussed not by myself, it was discussed
6 by -- I believe it was discussed by Anna Hillman
7 and the president at the time, I'm not sure which
8 president since we went through a lot of them, in
9 terms of what exactly he is paying Comcast for.

10 And the solution was to give greater
11 detailed reporting of the checks that Ellis would
12 need to sign for reimbursement to Comcast. And
13 we had set up a procedure to do just that. And
14 that issue was resolved and he signed the checks
15 and we went on.

16 Q. When you were controller for the
17 Central New Jersey division, was there anyone
18 there who would review all the checks?

19 A. No.

20 Q. The policy discussed in Panetta 1, did
21 that end up being an amendment to a check signing
22 policy?

23 A. Yes.

24 Q. Can you recall if there were other
25 amendments to the check signing policy?

1 A. Can you define amendments.

2 Q. This obviously was a change to what was
3 the policy prior to this, correct?

4 A. Actually, just to go into a little bit
5 greater detail on that, Comcast Cellular has an
6 expense approval and check signing policy. And
7 that gets frequently amended. This was a little
8 bit different, there was a separate policy
9 altogether for the Ellis Thompson Corporation.

10 Now, that policy I believe may have
11 been amended once or twice, but this is a
12 separate policy.

13 Q. That is the policy?

14 A. Yes.

15 Q. It is the Ellis Thompson check signing
16 policy that I'm referring to.

17 A. Yes.

18 Q. Can you recall any other changes to
19 that policy?

20 A. No.

21 Q. On an average month, how many checks
22 would you say would be written on the Ellis
23 Thompson Corporation account?

24 A. I couldn't even give you a good guess
25 of that, I just don't recall.

1 Q. More than 50?

2 A. A safe guess would be more than 30.

3 Q. Of those checks what would be an
4 average percentage that would need Ellis
5 Thompson's signature?

6 A. Thirty percent roughly.

7 Q. What was the average turnaround time,
8 if you can recall, for the checks sent to
9 Mr. Thompson for his signature before he signed
10 and returned them?

11 A. On average approximately one week.

12 Q. Would Mr. Thompson return them to
13 Comcast or would he send them directly to the
14 vendor?

15 A. He would return them to Comcast with
16 one exception, his own check. He would send that
17 directly to himself.

18 Q. And by his own check, you mean his
19 monthly director fee?

20 A. Yes.

21 Q. Did Mr. Thompson write the director's
22 check to himself or was that written at Comcast
23 and then sent to him?

24 A. It was written at Comcast. All checks
25 were not written, they were printed, they were

1 automatic, it was an automated check process.

2 Q. The checks presented for Ellis
3 Thompson's signature, printed for Ellis
4 Thompson's signature?

5 A. No, the check forms were printed. The
6 signatures -- there were no preprinted
7 signatures, all the signatures were handwritten
8 by whoever was --

9 Q. There was no use of an auto pen or
10 anything like that at Comcast?

11 A. No, not at the time I was controller.

12 Q. And then no stamps for names for
13 signatures?

14 A. No.

15 MR. WEBER: I'd like to have this
16 marked as Panetta Exhibit 2. It is a two-page
17 letter dated May 19, 1994, with the Bates stamps
18 AM 146591 and 146592.

19 (Panetta Exhibit No. 2 was
20 marked for identification.)

21 BY MR. WEBER:

22 Q. Do you recognize this letter?

23 A. Yes.

24 Q. Did you send this to Mr. Thompson?

25 A. Yes.

1 Q. What is the purpose of this letter?

2 A. As I mentioned before, my current
3 department manages the intercarrier services
4 department for all of Comcast Cellular. There is
5 a function in the industry called Industry Net
6 Settlement, which Comcast Cellular had been a
7 member for a year. And this letter is requesting
8 or suggesting, proposing, to Ellis Thompson that
9 the Ellis Thompson Corporation also join the
10 Industry Net Settlement program known as INS.

11 Q. And did Ellis Thompson Corporation join
12 that program?

13 A. Yes, they did.

14 Q. At the time you sent this letter,
15 though, you say Comcast had already been part of
16 that program for a year?

17 A. Yes.

18 Q. And that's all the Comcast systems in
19 the New Jersey area, New Jersey, Delaware,
20 Pennsylvania area?

21 A. Yes.

22 Q. Do you know if Mr. Thompson has any
23 independent accountant that reviews the books of
24 Ellis Thompson Corporation?

25 A. I don't know.

1 Q. Have the books of Ellis Thompson
2 Corporation ever been reviewed by anyone outside
3 of Comcast?

4 A. Yes, they are subject to the year end
5 audit performed by Deloitte Touche.

6 Q. And why are they subject to a year end
7 audit?

8 A. I believe that's part of the management
9 agreement.

10 Q. Is Deloitte Touche paid by Comcast or
11 paid by Ellis Thompson Corporation to your
12 knowledge?

13 A. To my knowledge I don't know. The way
14 Deloitte Touche is paid is centralized. And even
15 today I don't write out any checks to Deloitte
16 Touche in my current capacity. When I was
17 controller in New Jersey, I didn't write out any
18 checks to Deloitte Touche.

19 Q. Is Deloitte Touche affiliated in any
20 way with Comcast?

21 A. They are the external auditors for
22 Comcast Corporation.

23 Q. But they are not a subsidiary?

24 A. No.

25 Q. As controller of the Atlantic City

1 division, did you have any input into the
2 devising of the budget for the Atlantic City
3 system?

4 A. Yes, I did.

5 Q. Could you describe what input you had?

6 A. I basically prepared the entire budget,
7 sent it out to other departments, received their
8 responses, made changes to it, sent it to our
9 corporate offices for review, and then it was
10 reviewed and approved by Ellis. But, in terms of
11 my involvement, I basically prepared the budget.

12 Q. While you were controller in Atlantic
13 City, did Mr. Thompson ever request any changes
14 to the budget after it was sent to him?

15 A. I can't recall any changes to the
16 operating budget. However, I do recall
17 discussions about changes to the capital, which I
18 had no part of the capital budget, I had no part
19 of that budget.

20 Q. Which budget are you speaking of?

21 A. Just the operating budget, the revenue
22 forecasting and the operating expense.

23 Q. And did that become part of the capital
24 budget?

25 A. No. That was a separate budget. The

1 capital budget was created separately and then
2 the total budget package was put together.

3 Q. And you don't know if Mr. Thompson ever
4 requested any changes to the total budget
5 package?

6 A. I do recall him making changes to the
7 capital portion of the total budget but not to
8 the operating portion.

9 Q. What kind of changes did he make to the
10 capital portion?


11 A. I don't recall the exact changes. I
12 just recall discussions about the amount of
13 capital to be expended in a given year.

14 MR. WEBER: Thank you, Mr. Panetta, I
15 have no further questions.

16 MR. GURMAN: I have no questions.

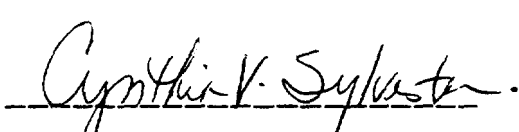
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1 (Thereupon, at 11:35 a.m., the taking
2 of the instant deposition ceased.)

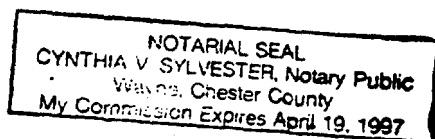
3
4 
5 Signature of the Witness

6
7 SUBSCRIBED AND SWORN to before me this 27th

8 day of June
9 1995

10
11 
12 NOTARY PUBLIC

13 My Commission Expires

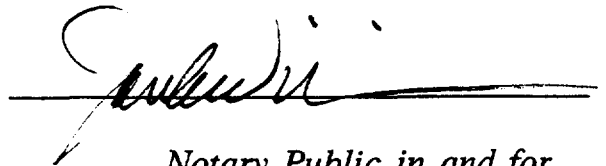


CERTIFICATE OF REPORTER

UNITED STATES OF AMERICA) ss.:

DISTRICT OF COLUMBIA)

I, JAN A. WILLIAMS, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.



Notary Public in and for

the District of Columbia

My commission expires: 03-31-97

ACATL7B.681

Comcast Cellular
Communications
Bayport One, Suite 400
Verona Boulevard
West Atlantic City, NJ 08222
609-348-1400



May 19, 1989

David A. Lokting, Esquire
Stoll, Stoll, Berne, Fischer & Lokting
209 SW Oak Street
Portland, Oregon 97204

Dear Mr. Lokting:

During the past few weeks, I have had a great deal of difficulty in making certain payments for rent and utilities due to: A) the short terms afforded me by such vendors and B) the length of time required to have checks signed under the current check signing process. This has resulted in one 10% late charge on cell site rent, two near phone line disconnections for cell site transmissions and several disgruntled vendors.

As we approach the start-up of the Atlantic/Cape May System, the risk of possible cell site transmission disruptions is too great to bear. A suggestion for avoiding such occurrences is to have me named as an authorized signer, with authorization to sign only those checks covering rent and utilities. All such checks would be listed on a transmittal to keep you and Mr. Thompson fully informed of all disbursements from the Ellis Thompson Corporation checking account. These checks would also be signed by Anna Hillman, as is currently being done.

Please give me your thoughts on the above suggestion as the June 1 start-up date is rapidly approaching.

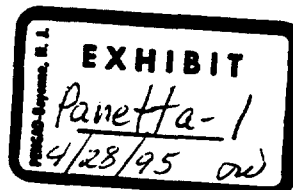
Very truly yours,

COMCAST CELLULAR COMMUNICATIONS

A handwritten signature in dark ink, appearing to read 'Mark A. Panetta', written over a horizontal line.

MARK A. PANETTA, CPA
Controller

cc: A. Hillman
A. Patlove



AM 147977



480 E. Swedesford Road
Wayne, PA 19087-1867
610 975 5000

May 19, 1994

Mr. Ellis Thompson
c/o Mr. David Lokting
STOLL, STOLL, BERNE AND LOKTING, P.C.
209 Southwest Oak Street
Suite 500
Portland, OR 97204

Dear Jeff:

The purpose of this letter is to request your review and approval for the Atlantic City market to join the Industry Net Settlement Program.

Cellular carriers participate in the Industry Net Settlement (INS) Program for the purpose of automating the settlement process. Benefits include guaranteed receipt of receivable dollars, and reduction of manual time spent preparing payments and invoices. INS carriers maintain accounts at Chase Manhattan Bank. Participating carrier receivable and payable dollars are summarized for an accounting period. On the last business day of each month, wire transfer settlement occurs according to the participating carriers "net" position.

The cellular industry has supported the Net Settlement Program since 1990, and Comcast Cellular One and Comcast Metrophone have been members since mid-1993. In summary, Comcast Cellular Communications, Inc. financial experience due to automation has been the following:

Areas of Savings

Salaries and Wages
Man hours Saved
Postage, Supplies, Telephone/Facsimile

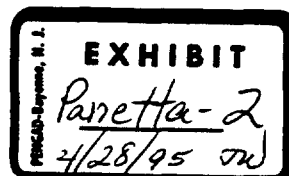
Total Projected Savings:

Annual Savings

\$22,000 Salaried Employee
6,920
(22,140)
\$ 9,400



File orig - ETC



AM 146591

Mr. Ellis Thompson
May 19, 1994
Page 2

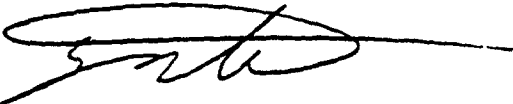
The savings for the Atlantic City Market due to automation through INS participation are projected to be the following:

<u>Areas of Savings</u>	<u>Annual Savings</u>
Salaries, Postage, Supplies, Telephone and Facsimile CIBERNET Charges (1993 Estimate) -	\$ 9,080 <u>(2,040)</u>
Total Projected Savings:	\$ 7,040

Mr. Thompson, I would appreciate your review of this program and approval to proceed. Please contact me at (610) 995-3701 with any questions you may have regarding this request.

Sincerely yours,

COMCAST • METROPHONE



Mark A. Panetta
Vice President of Finance

MP94026.bm

cc: Mr. Ron Andes
Ms. Anna Hillman ✓
Mr. David Lokting
Mr. John Moerman

AM 146592

1 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

2 WASHINGTON, D.C. 20554

3 CC DOCKET NO. 94-136

4 - - - - - X

5 In re Application of :

6 ELLIS THOMPSON : File No.

7 CORPORATION : 14261-CL-P-134-A-86

8 - - - - - X

9 Washington, D.C.

10 Monday, May 15, 1995

11 Deposition of MICHAEL W. RILEY, a
12 witness herein, called for examination by counsel
13 for Ellis Thompson Corporation in the
14 above-entitled matter, pursuant to agreement, the
15 witness being duly sworn by DEBBIE K. LAMBERT,
16 RPR, a Notary Public in and for the District of
17 Columbia, taken at the offices of Fleischman,
18 Walsh, Suite 600, 1400 16th Street, N.W.,
19 Washington, D.C., 20036, at 9:00 a.m., Monday,
20 May 15, 1995, and the proceedings being taken
21 down by Stenotype by DEBBIE K. LAMBERT, RPR, and
22 transcribed under her direction.

23

24

25

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1111 14th ST., N.W., 4th FLOOR / WASHINGTON, D.C., 20005

1 APPEARANCES:

2

3 On behalf of The Wireless Telecommunications
4 Bureau of the Federal Communications
5 Commission:

6 JOSEPH PAUL WEBER, ESQ.

7 The Wireless Telecommunications Bureau
8 Federal Communications Commission

9 1919 M Street, N.W., Room 644

10 Washington, D.C. 20554

11 (202) 418-1317

12

13 On behalf of Ellis Thompson Corporation:

14 STEVE D. LARSON, ESQ.

15 Stoll, Stoll, Berne, Lokting &

16 Shlachter, P.C.

17 209 Southwest Oak Street

18 Portland, Oregon 97204

19 (503) 227-1600

20

21

22

23

24

25

ALDERSON REPORTING COMPANY, INC.

(202)289-2260 (800) FOR DEPO
1111 14th ST., N.W., 4th FLOOR / WASHINGTON, D.C., 20005

1 APPEARANCES: (Continued)

2

3 On behalf of American Cellular Network
4 Corp.:

5 LOUIS GURMAN, ESQ.

6 Gurman, Kurtis, Blask & Freedman

7 Suite 500

8 1400 16th Street, N.W.

9 Washington, D.C. 20036

10 (202) 328-8200

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C O N T E N T S

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THE WITNESS EXAMINATION BY COUNSEL FOR
MICHAEL W. RILEY ELLIS THOMPSON
CORPORATION

By Mr. Larson 5

EXAMINATION BY COUNSEL FOR
FEDERAL COMMUNICATIONS
COMMISSION

By Mr. Weber 21

EXAMINATION BY COUNSEL FOR
AMERICAN CELLULAR NETWORK CORP.

By Mr. Gurman 32

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1 P R O C E E D I N G S

2 Whereupon,

3 MICHAEL W. RILEY,

4 residing in Chicago, Illinois, was called as a
5 witness by counsel for Ellis Thompson
6 Corporation, and having been duly sworn by the
7 Notary Public, was examined and testified as
8 follows:

9 EXAMINATION BY COUNSEL FOR
10 ELLIS THOMPSON CORPORATION
11 BY MR. LARSON:

12 Q. Mr. Riley, could you state and spell
13 your name for the record?

14 A. My name is Michael W. Riley.
15 M-i-c-h-a-e-l, R-i-l-e-y.

16 Q. Where do you live, Mr. Riley?

17 A. I live in Chicago, Illinois. Suburb of
18 Chicago, Illinois.

19 Q. Can you tell me your educational
20 background?

21 A. I have an undergraduate degree in
22 accounting and that's the extent of my formal
23 education.

24 Q. Where did you earn that degree?

25 A. I earned it in Bloomfield College in

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